

The complaint

Mr L complains that Jaja Finance Ltd (Jaja) acted irresponsibly when they agreed to lend to him.

What happened

In November 2024, Mr L successfully applied for a credit card with Jaja with a credit limit of £1,800. Mr L does not think the checks which Jaja carried out were proportionate and feels they should have done more than rely on the information he provided and his credit file. He thinks that if they'd checked his bank statements they would have found he had significant gambling activity. Mr L doesn't think that Jaja provided sufficient support after he began missing payments and instead allowed the situation to deteriorate before selling his debt.

Jaja said they thought the lending was affordable and that they were not made aware of Mr L's gambling or financial difficulties. They didn't think there was anything from the information available to them that ought to have prompted them to make further checks. Mr L wasn't happy with Jaja's response and referred his complaint to us.

Our investigator said that they thought the checks which Jaja carried out were reasonable and proportionate in the circumstances and the resulting decision to lend was fair. Jaja didn't dispute this position, but Mr L did. In summary, he said that Jaja ought to have known from credit reports and financial data that this lending was not affordable. Ultimately a resolution was not made, so the case has been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've considered what both parties have said about Mr L's lending with Jaja. Having carefully considered everything, I think that Jaja acted fairly and reasonably.

The relevant rules, regulations, and guidance at the time of Jaja's lending decision required them to carry out proportionate checks. While there isn't a defined list of checks a lender needs to carry out, such checks should be proportionate, considering things like the type, amount, duration and total cost of the credit, as well as the borrower's individual circumstances. These checks needed to assess Mr L's ability to afford the credit being approved and to be able to repay it sustainably, without causing him financial difficulties or harm.

It isn't sufficient for Jaja to just complete proportionate checks, they must also consider the information obtained from these checks to make fair lending decisions. I've considered the checks Jaja did and what they found from these checks.

When applying for this account, Mr L said he was employed full-time with an annual income of £50,000, or £3,100 net per month. Jaja reviewed Mr L's Credit Reference Agency (CRA) data which found that he was managing his existing credit well. Mr L had no County Court

Judgments (CCJs), no bankruptcies and no accounts which had defaulted or were in arrears.

CRA data showed Mr L had around £17,300 of existing revolving credit, with an assumed monthly commitment of £865 per month. He also had a monthly loan repayment of around £318. Jaja used information from the Office for National Statistics (ONS) to assess Mr L's other essential spending. This found that Mr L would be spending around £760 on his other essential costs. Taking all of this together as well as including a buffer, Mr L was found to have a monthly disposable income of around £1,000.

I thought that the checks which Jaja carried out before lending were reasonable and proportionate to satisfy themselves that Mr L would be able to sustainably repay the borrowing.

I also have to consider if, based on the information within these checks, the information was considered fairly. I think that Jaja acted fairly when relying on essential living cost information using estimates from ONS data. The amount of disposable income Mr L was found to have left sufficient room for error as well as for unforeseen circumstances. Mr L hadn't missed any recent payments on existing credit and had no negative markers on CRA data that was available to Jaja. It's further noted that the account was offered with 0% interest on purchases and balance transfers within the first few months of the account opening, which may have also put Mr L in a better position for some of his existing credit.

Mr L has said that he thinks Jaja ought to have reviewed his bank statements, and had they done so then they would have found he was in financial difficulty due to gambling. However, as I have found that Jaja have carried out reasonable and proportionate checks, I don't think this information would have been evident to them and therefore don't think they needed to take this into account.

From the information that was reasonably available to Jaja based on the checks they carried out, I think that the decision to lend was fair.

It is further noted that Jaja are expected to exercise forbearance and due consideration in line with their regulatory obligations. There's no fixed method by which this is to be achieved. As the circumstances of each individual borrower is different, a business needs to tailor their actions to take account of the customer's needs. But it is up to each business to decide what steps are taken to assist each customer.

There was nothing from Mr L's account notes with Jaja to show that they had been made aware of his financial difficulties or his concerns about gambling. The account notes show that there were missed payments in April and May 2025. Mr L reached out in May 2025, but account notes show that he was driving and so couldn't complete the call and said he would call back. The notes do not show any evidence that Mr L called back, and Jaja say he went on to make a payment of around £100 in June 2025. He then continued to miss payments from the following month. In October 2025, after four consecutive missed payment, Jaja revoked the account and the debt has since been sold. I'm satisfied that Jaja acted fairly when revoking this account once they were aware that Mr L was consistently not making payments and don't think there was enough prior to this for them to have taken action earlier.

In reaching my conclusions, I've also considered whether the lending relationship between Mr L and Jaja might have been unfair to Mr L under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Jaja did not lend irresponsibly when providing Mr L with the credit account or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A

CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons given above, I do not uphold this complaint against Jaja Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 30 April 2026.

Frances Kerlake
Ombudsman